

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:)	Chapter 11
)	
THOMAS MECHANICAL CORPORATION)	Judge Carol A. Doyle
)	
Debtor and Debtor in Possession.)	Case No. 08-19687

CONFIRMATION ORDER

THIS CAUSE coming on to be heard at the hearing on confirmation of the Debtor's First Amended Plan of Reorganization dated July 4, 2009 (the "Plan"), copies of the Plan and Disclosure Statement having been transmitted to creditors and parties in interest; and the Court having determined after notice and a hearing that the Plan satisfies the requirements for confirmation set forth in 11 U.S.C. § 1129,

- I. ARTICLE II, Section 2.02** entitled "Classification of Claims and Interests" is hereby amended to reflect the creditor's name as following:

"Plumbers' Pension Fund, Local 130, U.A.; Plumbers' Welfare Fund, Local 130, U.A.; The Trust Fund for Apprentice and Journeyman Education and Training, Local Union 130, U.A.; Chicago Journeymen Plumbers Local Union 130, U.A., Group Legal Services Plan Fund; The Plumbing Council of Chicagoland; and Chicago Journeymen Plumbers Local Union 130, U.A."

- II. ARTICLE IV, Section 4.01** entitled "Treatment of Claims and Interests under the Amended Plan," Class-2 is hereby amended as following:

"Priority Claim of Plumbers' Pension Fund, Local 130, U.A.; Plumbers' Welfare Fund, Local 130, U.A.; The Trust Fund for Apprentice and Journeyman Education and Training, Local Union 130, U.A.; Chicago Journeymen Plumbers Local Union 130, U.A., Group Legal Services Plan Fund; The Plumbing Council of Chicagoland; and Chicago Journeymen Plumbers Local Union 130."

"Treatment of the Class 2 claim- \$239,296.33 of the claim is to be paid in years 1 through 4 of the Amended Plan, by 47 monthly payments of \$4,985.34, followed by 1 month of \$4,985.35. The remaining amount of the claim, \$123,793.97, is to be paid at 25% in year 5 of the Amended Plan, by 12 monthly payments of \$2,579.04."

- III. ARTICLE VIII, Section 8.03** entitled "Forebearance" is hereby amended to include the following paragraph:

"Plumbers' Welfare Fund, Local 130, U.A. ("Fund") currently holds a judgment against Leona Thomas, Case #09 L 50088, as a personal guarantor of a certain note, which constitutes part of a Class 2 Priority Claim listed in Article IV of this Plan. Fund has agreed to suspend enforcement of the judgment against Leona Thomas in 09 L 50088 if and only if Plan payments are timely made, with the further proviso that Fund may take whatever actions are needed to keep the judgment liens against the property of Leona Thomas in effect, including an agreement by Debtor to pay to Fund 1/2 of the rent due under Debtor's lease with Leona & Leodus Thomas if Debtor becomes late in Plan payments and an agreement that Debtor will pay Fund the maximum garnishable amount of wages of Leona Thomas if Plan payments are not timely made. Debtor

will also be granted a 20 day cure period of any defaults pursuant to these obligations, to be made within 20 days of notice thereof."

IV. ARTICLE VII, entitled "Means for Implementation of the Amended Plan" is hereby amended to include the following section:

Section 7.03(a). Creation of Post-Confirmation Escrow Reserve for the Purposes of repayment to the general unsecured creditors ("Reserve Escrow")

Upon confirmation of the plan, Debtor will create a post-confirmation escrow reserve for the purposes of repayment to the general unsecured creditors ("Reserve Escrow") to be held in Forrest L. Ingram P.C. escrow account. This Reserve Escrow is to be funded, quarterly during the term of the plan starting in year 1, as follows:

(a) If the Debtor is generating yearly gross profit between \$200,000.00 and \$250,000.00¹, Debtor shall contribute \$3,000.00 quarterly into the Reserve Escrow.

(b) If the Debtor is generating yearly gross profit between \$150,000.00 and \$200,000.00, Debtor shall contribute \$2,000.00 quarterly into the reserve escrow.

(c) If the Debtor is generating yearly gross profit less than \$150,000.00, Debtor shall contribute \$1,000.00 quarterly into the Reserve Escrow.

(d) The Reserve remains property of the Debtor until distribution. Debtor has the right to apply Reserve Escrow funds towards repayment of Class I and Class II claims in case of Debtor's inability to earn the funds necessary for repayment of Class I and Class II claims in years 1-4.

V. A post-confirmation status conference on the Plan is set for November 17, 2009 at 10:30 a.m.

Dated:

Oct. 14, 2009

BY THE COURT:


The Honorable Carol A. Doyle
United States Bankruptcy Judge

This order was prepared
by Forrest L. Ingram, P.C.

¹ These calculations are based on Debtor's business income Pro-Forma Five Year Projections on its First Amended Disclosure Statement, which is attached and incorporated herein as Exhibit #1.

	<u>Five Year Projection</u>					EXHIBIT	D
	2009	2009	2010	2011	2012	2013	2014
	Year 1	months 6-12	Year 2	Year 3	Year 4	Year 5	months 1-6
Business Income	2985000	1492500	3164100	3353946	3555183	3768494	1884247
Outside Services	50000	25000	51500	53045	54636	56275	28138
Other job costs	1530	765	1576	1623	1672	1722	861
Plumber Costs	1204000	602000	1264200	1327410	1393781	1463470	731735
Payroll Taxes	119630	59815	125612	131892	138487	145411	72706
Union Costs	466854	233427	532214	606723	691665	788498	394249
Plumbing Materials	450000	225000	455000	477750	501638	526719	263360
Permits	3500	1750	3850	4235	4659	5124	2562
Worker's Compensation	84576	42288	84576	84576	60000	60000	30000
		0					
Payroll Expense	1080	540	1112	1146	1180	1216	608
Accounting Services	2000	1000	2100	2205	2315	2431	1216
Professional Seminars	300	150	300	300	300	300	150
Plans & Specifications	1000	500	1000	1000	1000	1000	500
Association Fees	1000	500	1000	1000	1000	1000	500
US Trustee Fees	19500	9750	19500	19500	19500	19500	9750
Legal Fees	10000	5000	10000	10000	10000	10000	5000
Donations	1600	800	1600	1600	1600	1600	800
Entertainment	800	400	800	800	800	800	400
Business Insurance	20000	10000	21000	22050	23153	24310	12155
Office Usage Expense	38000	19000	38000	38000	38000	38000	19000
Office Payroll	260000	130000	267800	275834	284109	292632	146316
Bobcat Lease	5911	2956	0	0	0	0	0
Automobile Expense	15000	7500	27000	27000	27000	27000	13500
Business Taxes	400	0	400	400	400	400	200
Office Expense	26234	13117	27021	27832	28667	29527	14763
Telephone Expense	12861	6431	10000	10000	10000	10000	5000
Total Expenses	2795776	1397688	2947160	3125921	3295560	3506935	1753468
Available to pay claims	189224	94612	216940	228025	259623	261559	130779
75% of amount available to pay claims for the year	141918	70959	162705	171019	194717	196169	98084
Monthly amount if all revenues is received timely	15769	7884	18078	19002	21635	21797	10898
Feasible amount to pay monthly	11827	5913	13559	14252	16226	16347	8174

Debtor plans to make payments of at least \$10,000 per month starting with the first six months of the plan. Debtor will make up the difference between its projected revenue and projected payments through its collection efforts of accounts receivable. Debtor anticipates larger one time expenses in the first half of the year, which the Debtor is paying currently. These expenses are: the deposit for the workers compensation insurance \$20,011 and the unemployment payment which is \$11,049.11. Debtor will have more state unemployment to pay, but it should be spread out as Debtor adds more people